

The Ottawa Citizen, September 29, 2001 Two imprisoned men, separated by half a planet and what amounts to a royal fortune, may hold the key to unlocking the secret of how Osama bin Laden finances his global terrorist network. But both are staying stone silent.

Khalid al-Fawwaz is an otherwise undistinguished former Nairobi car importer who lived in a nondescript London apartment and ran an obscure war relief group called the Advice and Reformation Committee (ARC) in London. Now being held in Britain's maximum-security Belmarsh prison, he faces criminal charges in the United States for abetting the 1998 terrorist bombings of embassies in Kenya and Tanzania, which killed or wounded nearly 4,800 people.

Khalid bin Mahfouz is a controversial, Yemeni-born tycoon worth an estimated \$2.5 billion U.S. He founded and ran the world's largest private bank until 1999, when the Saudi royal family quietly arranged for a government investment fund to buy out his 50-per-cent stake in the National Commercial Bank, then forced his dismissal. After a financial audit of the bank's \$21-billion assets, Mr. Mahfouz was confined to a military hospital in Taef, Saudi Arabia. Some \$2 billion has been reported missing. One of his sisters is married to Mr. bin Laden.

U.S. intelligence services want to know if some of that missing money went to phoney charities secretly funneling money to Mr. bin Laden's al-Qaeda organization, including:

- The London-based Advice and Reformation Committee, run by Mr. Fawwaz and founded by Mr. bin Laden;
- An Africa aid group called Blessed Relief, whose directors included Mr. Mahfouz's son;
- A Kenya branch of Help Africa People, run by several men later convicted or indicted for the U.S. embassy bombings in Kenya and Tanzania;
- The International Islamic Relief Organization, linked to terrorist bomb plots in the Philippines and India;
- The Kenya branch of war and famine relief group Mercy International, where key evidence used to convict the embassy bombers was found;
- A host of other Islamic aid groups working from Afghanistan to Kosovo, some of which were named by U.S. President George W. Bush earlier this week.

U.S. efforts to follow the bin Laden money trail also include searching the worldwide assets of dozens of banks, businesses and ventures in the secretive Mahfouz commercial empire.

It is no easy task. The Mahfouz family still owns a 30-per-cent stake in the National Commercial Bank, and controls worldwide assets through a private holding company called Al Murjan. One of its assets is Globalstar LP, which has licences for satellite broadcasts in eight Middle Eastern countries.

Some of the Mahfouz wealth is interlocked with another Saudi sheik and billionaire, Mohammed Hussein Al-Amoudi, who has since been appointed to run the private bank Mr. Mahfouz founded. Its clients include much of the Saudi royal family.

The Mahfouz/Al-Amoudi joint ventures include the port facilities in Yemen where the USS Cole was bombed by Islamic militants while it refueled, an alleged chemical weapons plant in Kenya that former U.S. president Bill Clinton ordered destroyed by missiles, and a Washington-based private company called WorldSpace, which provides satellite-based technology and programming to rural Africa and Asia.

Mr. Mahfouz is no stranger to missing money -- or controversy. He is a former director of the infamous BCCI international bank, which triggered a \$12-billion U.S. bankruptcy scandal in the early 1990s.

Indicted in the U.S. for a \$300-million bank fraud and facing civil claims exceeding \$10 billion, he arranged a \$225-million settlement with prosecutors and agreed to a permanent prohibition on owning banks in the U.S.

Mr. Mahfouz was also embroiled in a citizenship-for-sale scheme in Ireland, in which foreign millionaires were secretly courted to invest in Irish enterprises in exchange for coveted Irish passports and lucrative tax writeoffs. Mr. Mahfouz purchased 11 passports for Saudi and Pakistani nationals, but failed to make the promised investments.

Is there a connection between Mr. bin Laden and the two far-flung prisoners?

U.S. court records -- especially evidence entered by British detectives who raided Mr. Fawwaz's apartment and the ARC office on London's Beethoven Street in 1998 -- leave little doubt that Mr. Fawwaz worked for Mr. bin Laden and personally knew those who were later convicted of the African embassy bombings.

Seized computer hard drives revealed fiercely anti-American "holy war" edicts from Mr. bin Laden, to be relayed to European Muslims through the ARC "charity." A seized copy of the ARC founding documents bore Mr. bin Laden's signature.

Wiretap evidence, satellite-phone and fax records confirmed that calls were made to or from the now-convicted African embassy bombers and Mr. bin Laden's military lieutenant in Pakistan, Mohammed Atef (who is charged with Mr. bin Laden in the African embassy bombings). Seized bank records showed that Mr. Fawwaz held the signing authority for a Barclay's account for ARC.

The U.S. court records, and testimony from former bin Laden insiders, also indicate that Mr. Fawwaz purchased mobile phone technology that Mr. bin Laden or his aides used to make 140 calls to London and the Kenya bomb group from Afghanistan.

Seizures in Nairobi turned up phone bills for Mercy International in Mr. Fawwaz's name, and calls to that office from Mr. bin Laden's satellite phone. Much of the evidence used to convict four of the embassy bomb plotters in a later U.S. trial was found at the charity's Kenya office.

A former Mercy International staffer in Ireland, Hamid Aich, had earlier shared a Vancouver suburb apartment for three years with Abdelmajid Dahoumane, the accused accomplice of convicted millennium bomb plotter Ahmed Ressam. (Mr. Ressam, part of an Algerian bin Laden cell based in Montreal, has testified that he and Mr. Dahoumane concocted bomb ingredients to blow up the Los Angeles airport at a Vancouver motel in December, 1999.)

Mr. Ressam was caught at the U.S. border with the explosives in his car trunk, and convicted after a U.S. trial this year. Mr. Dahoumane fled Canada, facing criminal warrants here and in the U.S. He is believed to be in Afghanistan. Mr. Aich was arrested in Ireland, but released before police realized his connection to the Canadian-based Algerians. His whereabouts is unknown.

Mr. Fawwaz has denied any involvement in the terrorist bombings linked to Mr. bin Laden, and is fighting extradition from Britain to the United States. The evidence being used to support his transfer to the U.S. has not been tested at trial.

The U.S. has not filed any indictments against Mr. Mahfouz, and there is no public evidence linking him to any of the terrorist attacks against U.S. targets. However, the Saudi royal family restricted his travel last year after U.S. officials shared financial evidence gleaned from investigations following the 1993 World Trade Center bombing, and subsequent terrorist attacks against the USS Cole, U.S. military barracks near Riyadh, and the African embassies, a failed 1996 plot to bomb 12 airliners over the Pacific, and a failed plot to bomb U.S. consular offices in India.

American officials had earlier convinced governments in Dubai, the United Arab Emirates, and Britain to close bank accounts they had linked to Mr. bin Laden. U.S. press reports have disclosed that some wealthy Persian Gulf businessmen also were being "tithed" -- or bribed -- millions to fund Islamic charities that acted as fronts for Mr. bin Laden. One Associated Press report estimated the donations at \$50 million, and another reported that even Saudi pension funds were being routed to the phony charities.

According to Indian police, a Bangladeshi man caught with explosives destined for U.S. consulates in India confessed to being a former worker for the International Islamic Relief Organization, and said the IIRO president had personally attended a meeting to plan the bomb attacks.

The Philippines chapter of the IIRO was formerly headed by Mr. bin Laden's brother-in-law, and was fingered as a front for Mr. bin Laden by a man later convicted in the 1993 World Trade Center bombings. Mr. Mahfouz's son was on the board of Blessed Relief in Sudan, a group reportedly linked to the 1995 attempted assassination of Egyptian president Hosni Mubarak in Ethiopia.

A Lebanese-born U.S. citizen based in Kenya, later convicted of aiding the African embassy bombings, testified that he began working for the bin Laden network after being recruited for the Islamic relief agency Al Kifa by al-Qaeda military boss Mohammed Atef.

He later served as a senior business aide to Mr. bin Laden in Sudan, then through Kenya-based groups that combined legitimate aid work and covert al-Qaeda business, such as preparing false passports, masking travel by bomb plotters, and exchanging money and reports with the bin Laden group in Afghanistan. Some of the convicted or at-large indicted bombers had previously worked for Help Africa People.

Mr. Mahfouz was a major investor with sheik Al-Amoudi in the \$100-million El Shifa pharmaceutical plant in Kenya, which was destroyed by U.S. missiles weeks after the embassies were bombed. The Clinton administration claimed the CIA had earlier detected bomb ingredients in the soil nearby. Yet subsequent lab tests and court actions leave little doubt the El Shifa plant was producing only human and veterinary drugs.

The nominal owner, now based in London and a long-time accountant to Mr. Mahfouz, later sued the U.S. government, which quietly settled the case and unfroze his assets in the United States.

The U.S. counter-strike against the El Shifa plant was almost certainly aimed at an innocent target. A simultaneous U.S. cruise missile barrage aimed at Mr. bin Laden himself in his Afghan hideout missed its intended target.

Those retaliatory strikes enraged many in the Muslim world, and may have prompted covert donations to the bin Laden cause from some of the Persian Gulf's wealthy businessmen. They also drew the wrath of military governments in countries like Yemen, Sudan and Ethiopia, where the Mahfouz/Al-Amoudi group often gets preferential projects.

One example is the multibillion-dollar project to modernize the shipping facilities in the Yemeni capital of Aden, completed a year before the USS Cole was hit there by a suicide barge. The lead investor and builder was the Mahfouz/Al-Amoudi Group, through their companies Yeminvest and Yemen Holdings Ltd.

Mr. Mahfouz and Mr. bin Laden were both born in Yemen, and are revered by many Yemenis. A U.S. probe into the terrorist attack there has been stymied by the Yemeni government, which openly supports a "holy war" against the U.S., and has vowed to provide sanctuary for jihad militants.